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SERVICE DATE – JANUARY 13, 2005

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-21009

CUSA PCSTC, LLC D/B/A PACIFIC COAST SIGHTSEEING TOURS & CHARTERS–  
ACQUISITION OF ASSETS AND BUSINESS OPERATIONS–LAIDLAW TRANSIT  
SERVICES, INC. D/B/A ROESCH LINES

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving Finance Transaction.

SUMMARY: CUSA PCSTC, LLC d/b/a Pacific Coast Sightseeing Tours & Charters (PCSTC), a motor passenger carrier (MC-463273), has filed an application under 49 U.S.C. 14303 to acquire control and operate certain assets of Roesch Lines (Roesch), a motor passenger carrier (MC-119843 (Sub-No. 11)) and subsidiary of Laidlaw Transit Services, Inc. (Laidlaw). The transaction was approved on an interim basis under 49 U.S.C. 14303(i), and the Board is now tentatively granting permanent approval. Persons wishing to oppose the application must follow the rules under 49 CFR 1182.5 and 1182.8. If no opposing comments are timely filed, this notice will be the final Board action.

DATES: Comments are due February 28, 2005. PCSTC may reply by March 14, 2005. If no comments are received by February 28, 2005, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-21009 to: Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, send one copy of any comments to PCSTC's representative: Stephen Flott, Flott & Co. PC, PO Box 17655, Arlington, VA 22216-7655.

FOR FURTHER INFORMATION CONTACT: Eric S. Davis (202) 565-1608. [Federal Information Relay Service (FIRS) for the hearing impaired: 1-800-877-8339.]

SUPPLEMENTARY INFORMATION: PCSTC is a private limited liability company organized under the laws of the state of Delaware by CUSA, LLC (CUSA), a noncarrier, which is wholly owned by KBUS Holdings, LLC (KBUS), which is also a noncarrier. KBUS acquired control of over 30

motor passenger carriers formerly owned by Coach USA, Inc., and then consolidated those entities into the motor passenger carriers now controlled by CUSA.<sup>1</sup>

Since completing the transaction approved by the Board in STB Docket No. MC-F-21000, PCSTC states that CUSA has successfully reorganized the assets and businesses acquired as a result of that transaction into a number of federally and non-federally regulated companies. Annual revenues for the CUSA group of companies for 2004 are forecast to be \$220 million. The companies in the CUSA group operate more than 1,000 coaches and 600 other revenue vehicles in 35 states and have more than 3,500 employees. PCSTC states that the experienced senior management team that CUSA now has in place has identified the acquisition of the properties and passenger services operated by Roesch as a way to expand its sightseeing and tour business in the Southern California market.

Roesch, an operating division of Laidlaw, specializes in sightseeing, tour and charter services in the Las Vegas, NV, and Southern California areas. According to PCSTC, Roesch has been unable to restore its sightseeing, tour and charter business to sufficiently profitable levels in the years following September 11, 2001, and is generating insufficient returns on invested capital. Under the proposed transaction, PCSTC seeks to permanently acquire certain assets of Roesch, that were acquired on an interim basis, including Roesch's vehicles, trade receivables, and business operations, as well as a variety of other assets. Once this transaction is consummated,<sup>2</sup> the Federal operating authority currently held by seller will be surrendered.

Under 49 U.S.C. 14303(b), the Board must approve and authorize a transaction it finds consistent with the public interest, taking into consideration at least: (1) the effect of the transaction on the adequacy of transportation to the public; (2) the total fixed charges that result; and (3) the interest of affected carrier employees.

PCSTC has submitted information, as required by 49 CFR 1182.2, including the information to demonstrate that the proposed transaction is consistent with the public interest under 49 U.S.C. 14303(b). PCSTC states that the proposed transaction will have no impact on the adequacy of transportation services available to the public, that the operations of the carrier involved will remain unchanged, that fixed charges associated with the proposed transaction will not be adversely impacted and that the interests of employees of Roesch will not be adversely impacted. Additional information, including a copy of the application, may be obtained from PCSTC's representative.

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<sup>1</sup> See KBUS Holdings, LLC – Acquisition of Assets and Business Operations – All West Coachlines, Inc., et al., STB Docket No. MC-F-21000 (STB served July 23, 2003).

<sup>2</sup> The transaction is expected to close on or about January 9, 2005.

On the basis of the application, the Board finds that the proposed acquisition of assets is consistent with the public interest and should be authorized. If any opposing comments are timely filed, this finding will be deemed vacated and, unless a final decision can be made on the record as developed, a procedural schedule will be adopted to reconsider the application. See 49 CFR 1182.6(c). If no opposing comments are filed by the expiration of the comment period, this notice will take effect automatically and will be the final Board action.

Board decisions and notices are available on the Board's website at "WWW.STB.DOT.GOV."

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The proposed finance transaction is approved and authorized, subject to the filing of opposing comments.
2. If timely opposing comments are filed, the findings made in this notice will be deemed as having been vacated.
3. This notice will be effective on February 28, 2005, unless timely opposing comments are filed.
4. A copy of this notice will be served on: (1) the U.S. Department of Transportation, Federal Motor Carrier Safety Administration, 400 7th Street, S.W., Room 8214, Washington, DC 20590; (2) the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue, N.W., Washington, DC 20530; and (3) the U.S. Department of Transportation, Office of the General Counsel, 400 7th Street, S.W., Washington, DC 20590.

Decided: January 7, 2005.

By the Board, Chairman Nober, Vice Chairman Mulvey, and Commissioner Buttrey.

Vernon A. Williams  
Secretary